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THE SOCIAL SUMMIT: A VIEW FROM LATIN AMERICA AND THE CARIBBEAN

(Note by the secretariat)

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INTRCDUCTION

By its resolution 47/92 of 16 December 1992, the United Nations General Assembly decided to convene a World Summit for Social Development at the level of Heads of State or Government, to be held early in 1995. The resolution enumerates the objectives of the Summit and specifies that the core issues to be addressed are: "a) the enhancement of social integration, particularly of the more disadvantaged and marginalized groups; b) alleviation and reduction of poverty; c) expansion of productive employment".

The resolution also lays down the procedures to be followed in preparing for the Summit, including the establishment of a Preparatory Committee; in this regard, the regional commissions are requested in paragraph 14 "to include in their programme of work for 1993 the World Summit for Social Development, with particular emphasis on the social situation in their respective regions, including proposals, and to prepare an integrated report to be submitted to the General Assembly at its forty-eighth session".

In compliance with that mandate, the secretariat of the Economic Commission for Latin America and the Caribbean (ECLAC) has prepared this note, in collaboration with the International Labour Organisation (ILO) and the United Nations Children's Fund (UNICEF). Its purpose is to offer guidelines for the member countries' preparatory activities for the Summit, and to examine the potential content and scope of a meeting of this type, from the perspective of the Latin American and Caribbean countries. The note begins with some general considerations (chapter I), followed by a proposal on the conceptual framework in which, in the Commission's view, the aforementioned core issues should be examined (chapter II); subsequently, in chapters III, IV and V, each of those issues is discussed from a regional perspective. The note ends (chapter VI) with some reflections on the results that can be expected of the Summit, especially in the area of international cooperation.

I. THE GLOBAL AND REGIONAL CONTEXT

1. The world's people are living in a period of intensive change marked by seemingly unprecedented opportunities for progress, but also by numerous conflicts and trends that run counter to the high ideals enshrined in the United Nations Charter: peace, security, respect for individual political, civil, economic and social rights and international cooperation and solidarity.

2. Although the principal source of tension in international relations vanished with the end of the cold war, this fact alone failed to guarantee peace. On the contrary, as the risk of truly worldwide conflagrations diminished, there emerged a series of conflicts of ethnic, cultural and religious origin, as well as claims of ancestral rights, including territorial ones. In recent years, peace has been shattered repeatedly by armed conflicts, some of them notoriously savage.

3. The virtual collapse of a number of utopian experiments has given rise to a context, best illustrated by Eastern Europe and Latin America and the Caribbean, in which democratic principles and values predominate in the political sphere, and market-based strategies in the economic sphere. More countries are attaching greater importance to individual rights, the concept of citizenship and the primacy of the individual over the State. These ideas have facilitated the formation of broad-based consensuses on national agendas. However, they have also led to an erosion of the principle of representative leadership, which in some cases is being accelerated by a lack of transparency in governance, accompanied in many countries by an open questioning of political élites.

4. The economic sphere has been dominated by the globalization of the world economy, supported by the communications revolution and the consolidation of the transnational corporation as an actor of growing importance. However, in recent years, these developments have been accompanied by recession in the main industrialized economies, an intensification of protectionist pressures and difficulties in concluding multilateral negotiations under the General Agreement on Tariffs and Trade (GATT). The unprecedented technological sophistication that characterizes the current moment in history, and the pre-eminence of the market as the primary determinant of resource allocation, have been unable to correct deep-rooted inequalities, even in the major developed economies.

5. Thus, between 1960 and 1990, global disparities in income and in the quality of life widened alarmingly. It is estimated that in 1960, the richest 20% of the world population received 70% of global gross domestic product, while the poorest 20% received 2.3%. By 1990, those coefficients had reached magnitudes of 82.7% and 1.3% respectively, meaning that while the income of those at the top of the social pyramid was 30 times the income of those at the bottom in 1960, it had increased to 60

times by 1990.[1] This deterioration reflects the uneven income distribution that prevails in many countries, both developed and developing, and the striking disparities in per capita income that persist in both groups of countries.

6. Notwithstanding these observations, the distinction between developing and developed countries is becoming blurred and taking on new features. In some developing countries, especially those in East Asia, income levels are approaching those in developed countries; also, many developing countries have made progress towards diversifying and modernizing their production structures. However, differences within the group of developing countries are widening. Thus, while competitive advantages related to natural resources or to low-paid or unskilled labour have weakened, those based on new manufactures and services of good quality, more sophisticated design and high technological content have grown stronger. The competitive advantages in demand on the world market are intensive in terms of intelligence, technical change, innovation and intellectual added value. The economies that are flexible enough to adapt to these demands are the ones that are gaining competitiveness.

7. Although technological change boosts the net generation of employment in the medium term, it tends to have the opposite effect in the shorter term. The most significant feature of the current job cycle is that, rather than reducing the number of jobs, the vigorous dynamism of technological innovation is making certain skills and knowledge obsolete. This is leading to the disappearance of some occupations and the creation of others requiring different skills, which workers who are currently unemployed or who have been displaced by technical or organizational change do not necessarily have.

8. The global trends briefly outlined above take on certain specific features in Latin America and the Caribbean, and form the new context to which the countries of the region have tried to adapt over the past few years. Within a short time, and not without high social costs, the region has reoriented its development strategy, restoring stricter fiscal discipline and inflation control in a context of drastic trade reforms that have reduced levels of effective protection, with varying results in different countries.

9. Among the promising signs that can be detected are, first, the establishment of pluralistic, participatory political systems and the gradual consolidation of a culture of democracy and tolerance in most countries, accompanied by greater demands on the part of the electorate for transparency in governance. The emergence of new social actors who express their democratic demands through citizens' movements has contributed to these changes. Although State institutions are still weak in many cases and negotiation mechanisms are not always effective, a comparison of the current situation of civil and political rights to that prevailing in the 1970s, for example, shows that remarkable progress has been made.

10. Second, the quality of macroeconomic management has improved considerably, though to varying degrees in different countries, and is reflected in declining inflation, better fiscal performance and, in general, an incipient recovery of economic growth. There appears to be a broad-based consensus on the need to maintain macroeconomic balances, regardless of the ideological stamp of the Government concerned; what is under debate in this regard is the pace and sequencing of certain measures and their exact content.

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[1] United Nations Development Programme (UNDP), Human Development Report, 1992, New York, Oxford University Press, March 1992, pp. 36 and 96-103.

11. Third, a gradual process of changing production patterns is apparent in the diversification of export structures, the growing international competitiveness of an increasing number of enterprises, the notable improvement in entrepreneurial capacity and the progressive flexibility of labour contracts, which, in the formal sector, now tend to link wages to productivity. However, the dual nature of production structures seems to have become more accentuated: along with the above-mentioned phenomenon, the so-called "informal sector" is expanding rapidly and though it does generate jobs, these are often of very low productivity.

12. Fourth, rates of savings and investment in some countries have begun to rebound from what were by far the lowest levels in the region's history; this trend is attributable, inter alia, to an increase in foreign investment and the repatriation of capital, as well as to the modernization of national financial institutions. However, some of these countries still have large external liabilities as a result of the public and private debt overhang of the 1980s.

13. Fifth, countries have renewed and solidified their commitment to intraregional cooperation, as shown by the conclusion of various formal economic integration agreements on the establishment of free trade areas and the use of reciprocal trade as a tool for improving the international integration of the region's economies. Experiments in this field even include the integration of some Latin American economies with highly industrialized economies, such as those of the United States and Canada. Intraregional trade has grown considerably, while integration has reassumed a prominent place on the regional agenda.

14. Notwithstanding these advances in the political and economic arenas, serious problems persist in Latin America and the Caribbean. One of these, which is especially significant in the context of this note, is that economic adjustments have had highly regressive effects —often tempered by falling inflation rates— in most cases. As a result, in the 1980s the incidence of poverty tended to increase, income distribution generally worsened and social inequalities appear to have widened.[2]

15. Moreover, broadly speaking, unequal income distribution in Latin America, apart from its other effects, has become a source of social fragmentation, even in culturally homogeneous societies. The perception that large segments of the population are worse off than before while a minority has enjoyed visible improvements, and the widening gap between expectations and reality, have become sources of political and social tension.[3]

16. Despite these social inequities, the advances made in previous years with respect to infant mortality, life expectancy, years of schooling among children and young people, literacy rates and access to drinking water and sewage systems have generally been maintained. However, the drop in economic and social investment dealt a severe blow to the quality and coverage of the services provided and the possibility of correcting accumulated social inequities, mainly in urban areas.

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[2] See ECLAC, Panorama Social de América Latina, Edición 1993 (LC/G.1768), Santiago, Chile, 1993.

[3] ECLAC, Changing Production Patterns with Social Equity: The Prime Task of Latin American and Caribbean Development in the 1990s (LC/G.1601-P), Santiago, Chile, March 1990. United Nations publication, Sales No. E.90.II.G.6.

17. The serious deterioration of the social situation is manifested in many ways, including the higher percentages of young people who are neither studying nor working and the high levels of unemployment among heads of household. In most countries, these situations have been more acute among low-income families, who are not only suffering a steady loss of purchasing power but are also living in peripheral areas that are increasingly distant from their workplaces as a result of the urbanization models prevailing in the region. Other symptoms of social decline are increasing international migration and escalating crime, especially in cities.

18. The fiscal adjustments undertaken in the last decade tended to emphasize spending cuts rather than revenue increases and therefore entailed what may have been unnecessarily onerous social costs; evidence of this can be seen in the region's massive lay-offs, civil service wage cuts and shrinking social services. The steep decline in public investment had adverse effects on employment levels, productivity and growth.

19. With respect to demographic transition, countries of the region whose reproductive patterns have put them in a better position to fulfil the requirements of growth with social equity contrast sharply with less developed countries that still need to reduce their fertility rates before they can tackle this challenge with a fair chance of success. The same situation is apparent between higher- and lower-income sectors within countries.[4]

20. In sum, as the world stands on the threshold of a new millennium, many of the problems that served as the rationale for the great political and social movements of the past —marginalization, exclusion, extreme poverty, and inequality— persist, although in a context of change. At the same time, it must be acknowledged that much can be learned from the experiences of this period, particularly from the sweeping changes of recent times.

21. Although the World Summit for Social Development cannot claim to offer a holistic, universally valid formula for achieving sustainable development with social equity in a democratic context, it can provide an opportunity to reflect on the strategies that could lead to the fulfilment of that objective. In this effort, Latin America and the Caribbean not only stand to benefit, but also have much to contribute.

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[4] ECLAC/CELADE, Population, Social Equity and Changing Production Patterns (LC/G.1758/Rev.1-P; LC/DEM/G.131/Rev.1-Serie E, No. 37), Santiago, Chile, 1993. United Nations publication, Sales No. E.93.II.G.8.

II. SOCIAL DEVELOPMENT AS PART OF AN INTEGRATED APPROACH

A. TOWARDS AN INTEGRATED APPROACH

22. The foregoing observations indicate that the macroeconomic trends observed both world-wide and in Latin America and the Caribbean are ambivalent. At the global level, progress has been made in respect for individual freedoms, the allocation of resources and the modernization of production. However, this progress has often been accompanied by growing social disparities in industrialized and developing countries, reflected in increased unemployment (both open and hidden), growing numbers of people marginalized from enjoying the fruits of economic expansion, a rising tide of frustration and even despair and high levels of poverty and indigence in many countries. These inequalities are magnified by consumption patterns that are often marked by ostentation and the squandering of natural resources.

23. Moreover, governments and civilian society are becoming increasingly aware of this situation. Doubts have arisen as to whether efficiency and market forces alone can ensure that the benefits of growth automatically trickle down to all strata of the population, and development with greater social equity is again being advocated. In Latin America and the Caribbean, public policy is focusing on vulnerable social groups, and targeted spending policies and participatory models reflected in social investment funds, are being tried. Job creation and the fight against poverty have become priority objectives of virtually all of the region's economic policies and strategies, though they often must give way to the imperatives of stabilization.

24. Nevertheless, social problems are so complex, of such vast proportions and, in most countries, so widespread, that it will be difficult to solve them through a combination of sectoral welfare or social security policies. What is needed is a broad approach to the concept of social development through which the above-mentioned problems can be addressed. In other words, from the Latin American and Caribbean perspective, meeting the three broad objectives of the World Summit for Social Development (enhancement of social integration, alleviation and reduction of poverty and expansion of productive employment) requires an **integrated approach** that focuses simultaneously on the complementary goals of changing production patterns and enhancing social equity.

25. The Economic Commission for Latin America and the Caribbean (ECLAC) has formulated a proposal that points in this direction.[5] It is based on the region's own experience, which demonstrates

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[5] ECLAC, Changing Production..., op. cit.; Sustainable Development: Changing Production Patterns, Social Equity and the Environment (LC/G.1648/Rev.2-P), Santiago, Chile, May 1991. United Nations publication, Sales No. E.91.II.G.5; Social Equity and Changing Production Patterns: An Integrated Approach (LC/G.1701/Rev.1-P), Santiago, Chile, 1992. United Nations publication, Sales No.

that economic growth does not necessarily have a "trickle-down" effect that leads to greater social equity, and that the mere redistribution of existing wealth does not automatically engender economic growth. However, the proposal does postulate that under certain circumstances, growth and social equity can reinforce each other, i.e., that greater social equity contributes to growth and that growth, in turn, fosters greater social equity. It should be noted, however, that the key element in this scheme is not simply growth, but the kind of growth that is being pursued.

26. Thus, ECLAC proposes to change production patterns so that economic expansion is rooted in the incorporation of technological progress into the production process, with a view to achieving a steady increase in productivity. Without this kind of growth, which must ensure increased competitiveness on international markets in order for the process to be sustainable, it will be impossible to tackle the problem of poverty head-on, because not enough jobs will be created and the conditions for distributing the fruits of development among all social strata will not be generated. This growth must also be environmentally sustainable in order to safeguard and enrich the supply of natural resources, in the interest of preserving the level and quality of life of present and future generations.

27. Even economic expansion based on increasing levels of productivity cannot guarantee that the distribution of its benefits will promote social equity. The ECLAC proposal therefore emphasizes the **complementarities** between economic and social policies intended to meet the twin objectives of growth and equity simultaneously, instead of focusing on the trade-offs they sometimes entail. Many actions work towards both objectives at the same time. Among these are the transfer of technology, especially in agriculture and in small- and medium-scale enterprises; increased savings; and the geographical decentralization of public and private investments, especially investment in human resources.

28. It should also be recalled that policies that conceive of the economic and social spheres as two different worlds which, although separate, naturally tend to complement one another have proved to be largely ineffective. In practice, this compartmentalized approach can pit one policy against another and fail to contribute to either growth or equity. The integrated approach involves devising economic policies that foster not only growth but also equity, and social policies that take productivity and efficiency into account.

29. Because growth and equity are products of both economic and social policy, the idea that the sole end of economic policy is to achieve satisfactory growth, while social policy must focus exclusively on the problem of distribution, must be discounted. Both policies affect distribution and the capacity for growth. This is why the aforementioned **integrated approach** must be taken, to ensure that public policy as a whole supports both environmentally sustainable changes in production patterns **and** social equity.

30. In any case, the region's high poverty levels will require the maintenance of compensatory and transfer policies for a long time to come. The right mix of access-giving and compensatory policies will vary by country according to demographic characteristics, the initial distribution of resources and the degree of advancement and consolidation of economic reforms. The content and scope of these policies,

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E.92.II.G.5; and ECLAC/UNESCO Regional Office for Education in Latin America and the Caribbean, Education and Knowledge: Basic Pillars of Changing Production Patterns with Social Equity (LC/G.1702/Rev.1-P), Santiago, Chile, 1992. United Nations publication, Sales No. E.92.II.G.6.; ECLAC/CELADE, Population, Social Equity and ..., op. cit.

as well as the criteria on which their efficiency and effectiveness depend, will undoubtedly be a central theme of the debates at the Social Summit.

B. THE SYSTEMIC NATURE OF CHANGING PRODUCTION PATTERNS WITH SOCIAL EQUITY

31. Progress cannot be made on the path of changing production patterns unless the latter's many prerequisites are met simultaneously. In other words, the effort must be systemic. The enterprise is an element which, although crucial in this regard, is integrated into a network of linkages with other elements both within and outside the process, such as the educational system; the technology, energy and transport infrastructure; labour relations; the public and private institutional framework; and the financial system. The failure of any part of the system affects the rest, hindering the achievement of the desired international competitiveness.

32. It is inaccurate to believe that changing production patterns with social equity is simply the result of creating an appropriate, stable macroeconomic climate or applying a policy of "correct" prices. Coherent, sustained macroeconomic management, although fundamental, is not enough: it must be combined with sectoral policies that provide incentives for incorporating technological progress into the production process. Institutional changes are also required, especially to improve managerial capacity in public and private activities, including large-, medium- and small-scale enterprises.

C. TOWARDS CONSENSUAL, DEMOCRATIC DEVELOPMENT

33. Economic and social policies and strategies must be formulated and implemented in a democratic, participatory context in which basic human rights are guaranteed, decision-making is decentralized, participation is encouraged and consensus-building is the main operating mechanism. Moreover, social conflicts must be kept within the bounds of what the democratic system can handle. To this end, forums should be created to enable the most disadvantaged sectors to add their demands to established systems; ideally, these forums for negotiation should originate at the grass-roots level itself, in order to keep them as close as possible, in terms of time and place, to the differences they are intended to resolve, and to prevent the accumulation of discrepancies in macro-social systems.

34. Consensus, then, is the preferred method of this approach to social development. While it recognizes the existence of diverse interests, it offers a means of reconciling them through negotiation and compromise, breaks the vicious circle of exclusion and advocates the formulation of shared objectives and goals. The integrated approach to development emphasizes actions that empower individuals, groups and communities to achieve social progress through their own efforts and to participate, in solidarity, in the search for solutions. Special efforts should be made to provide opportunities for real participation to individuals and groups of people who, owing to their ethnic or social background, place of residence, age or gender, are denied access to the benefits of development.

35. The reinforcement of participation through solid social organizations capable of representing their members' interests and engaging in a constructive dialogue is essential for strengthening the functioning of democracy. The emergence in the region of new forms of popular expression through a significant

number of non-governmental organizations (NGOs) in various areas such as the environment, consumer issues, women and human rights promises to bolster social participation.

36. The effort to ensure that the groups involved really participate again highlights the need to decentralize and de-concentrate public-sector action and the public authorities to bring them closer to people. Some noteworthy steps that could be taken in this direction are to design and implement policies to regionalize and municipalize political power and the provision of social services, which will require strengthening the financial capacity of municipalities and compensating for the differences in such capacities between municipalities if the decentralizing process is not to reinforce inequalities by creating a situation in which people living in "rich" municipalities receive better quality social services.

37. Such measures should be accompanied by specific policies to promote and organize the participation by individuals and groups benefiting from social policy at the local, regional and national levels and in various fields, such as information, training and technical assistance.

38. The integrated approach also involves redefining the State's role so that it can perform its functions more effectively and efficiently, including its responsibilities in the area of social equity. With respect to the spheres of action of private agents, there is a need to abandon the idea that a choice has to be made between public and market-based policies, thereby moving beyond the traditional view that these areas are radically specialized, with the market solely responsible for growth and the public sector solely in charge of social and distributive issues.

39. According to this approach, in contrast, the promotion of transparent, competitive and easily accessible markets can be a decisive means of fostering both growth and equity. Helping to create markets where they are non-existent or insufficient can become an innovative feature of social policy. In this regard, priority should be assigned, inter alia, to giving small- and medium-scale enterprises access to credit and workers access to training. Market regulation is also important, particularly in relation to the financial and insurance sectors, non-renewable natural resources and other environmental aspects, urban quality of life and public utilities.

40. To promote the further participation of groups and individuals, intervention in the modernization of the State will be necessary, through efforts to rationalize the use of its institutional, human and financial resources and to raise its levels of effectiveness and efficiency. This could involve either reducing or increasing employment in certain public services, launching special training programmes, better defining the civil service career profile, adopting special stimulus packages and supervisory arrangements, combined with penalties for inefficiency and ineffectiveness, implementing intra- and inter-sectoral coordination mechanisms and promoting more interaction between authorities in the social and economic sectors.

41. In sum, an analytical framework that integrates technological progress, international competitiveness, environmental sustainability, social equity and democracy can serve as the basis for a Latin American and Caribbean position at the World Summit for Social Development. Essentially, the integrated approach underscores four elements —technological progress, productive employment at fair wages, investment in human resources and consensus-building— all of which come up repeatedly in the examination of the basic issues to be discussed at the World Summit for Social Development. Various redistributive measures geared towards the most disadvantaged groups will also have to be considered, since the latter's incorporation into higher-productivity sectors will take a long time.

III. SOCIAL INTEGRATION

A. EQUALITY OF OPPORTUNITY

42. The Latin American and Caribbean region contains large segments of socially marginalized persons, either because of ethnic or linguistic factors, or because they are at a high-risk stage of the life cycle (children, youth, the elderly), disabled or, in some cases, women. It should be underlined, however, that the main cause of exclusion in the region is poverty, and the more marginalized tend to be those who, besides being poor, also belong to one of the above categories.

43. As long as non-integrated population groups continue to exist, with the consequent underutilization of the country's human resources, the potential for economic growth will be limited and, at the same time, the quest for equity will be thwarted. What must be done, then, is to promote policies to create a society of equals in which members, beyond the features that differentiate them, feel that they belong and to which they contribute their skills and efforts.

44. Economic and social progress offers an excellent opportunity for enhancing social cohesion. However, although it offers the possibility of creating a "virtuous circle" between development and social integration, it also entails the risk of the opposite effect. Of course, different interests and cultures are present in all societies, and their expression is an essential element of democracy. But the creation of a basic consensus on the values and objectives pursued, and the building of an institutional framework in which conflicts can be controlled or resolved, are fundamental prerequisites for tapping the "virtuous" potential of the above-mentioned link.

45. This means that social integration must be conceived as a process in which all the individuals and social groups of a country can participate in development and enjoy its benefits. What is needed in order to make further progress in this direction is to strengthen growth, raise levels of equity, enhance the quality of life of the most underprivileged, marginalized groups, take effective steps to overcome all forms of discrimination and defend and reinforce democracy in a broad sense. On the other hand, economic stagnation and rising inflation tend to be accompanied by a resurgence of distributive conflicts.

46. It is clear, however, that if the fruits of growth are not distributed fairly, and if the gap between rich and poor widens and is exacerbated by ostentatious behaviour, adherence to the system weakens. The extreme disparities of income that now exist in Latin America and the Caribbean and the fact that vast sectors of the population are mired in poverty pose a challenge to the region which may have significant social and political repercussions. The job-creation and anti-poverty objectives set forth in the agenda of the forthcoming Conference are inextricably linked with that of promoting social integration.

47. Each group that is marginalized or discriminated against —because of its ethnic background, age, social status, place of residence or gender— should be the target of specific initiatives, which means that its characteristics and needs must be determined precisely. Particular attention should be devoted to those who, within each group, are in an extremely vulnerable situation, such as children under five years of age, women of child-bearing age, pregnant women, and mothers and children in especially difficult circumstances. Targeted programmes must be implemented for them in many cases.

48. The main concern is to generate effective equality of opportunity for all social groups. This means not only avoiding discrimination, but also providing those whose opportunities have been deferred with the tools and assets they need to become an effective part of the system. Since each group's individual features must be respected in this process, the organized participation of the beneficiaries —through the clear expression of their demands— in programme implementation and definition is a precondition for success.

B. INTEGRATION FACTORS

49. Different elements can become factors of integration, such as opportunities for social mobility and certain environments such as democracy and the family that can help create common values. The 1990s began with democracy clearly advancing, for there appears to be a broad consensus about the appropriate institutional framework for expressing differences, setting the resulting conflicts through negotiated agreements and promoting respect for minority rights, and for creating public awareness about the situation of those who live in poverty or remain excluded for other reasons.

50. The trend towards weaker family bonds seems to be contributing to social disintegration. Through their various structures and cultural contexts, families play a key role in transmitting values which, according to their characteristics, can be factors that strengthen social integration, or weaken it if, for example, they lose their formative capacity and therefore render social mobility and entry into the labour market more difficult.

51. Social mobility increases employment opportunities for individuals who previously belonged to excluded sectors and draws their attention away from tension points, which generate disintegrating forces, towards a concern about improving their living conditions. To achieve mobility, the accumulation of human capital must be promoted as a basic precondition for access to productive employment. That is why social policies play the fundamental role of facilitating human capital formation and social compensation.

52. Education and knowledge are especially relevant in this regard. Educational policy is one of the key factors for changing production patterns and promoting social equity. Educational reform is essential for absorbing more and better technology in production processes, and therefore for attaining higher levels of growth and competitiveness in the world economy, based on rising productivity and wages.[6] It can also facilitate integration, in so far as it provides people from impoverished sectors with tools and

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[6] Which is why ECLAC and UNESCO have defined education and knowledge as pillars for changing production patterns with social equity. See ECLAC/UNESCO Regional Office for Education in Latin America and the Caribbean, Education and Knowledge..., op. cit.

codes for behaving as modern citizens. It also creates conditions for taking advantage of channels for social mobility. Specifically, in order to fulfil its integrative function, education must help compensate for the disadvantages of those who are needy, who have to work during their school years or who come from homes with a poor educational environment.

53. In several countries of the region, indigenous populations are now better organized and capable of mobilizing people. This raises the challenge of building cultural pluralism where social inequalities are based on ethnic differences. Those racial and cultural differences must be recognized and respected and a road opened to egalitarian participation in society. Here too, education is a basic tool which must enable indigenous peoples to learn more about their own language, traditional techniques for managing the local ecosystem, the norms, values and religion of their community, the functioning of social institutions and practices of reciprocity, while putting them in contact with universal progress in knowledge and technology.

54. Beyond these general considerations, the intrinsic importance of women's issues calls for special attention. While the region can boast internationally that it has made significant progress in some areas, such as women's access to education and legal equality,[7] it is clear that the effective integration of this half of the population is an unfinished task. Participation means de facto equality of opportunities and options.

55. An obvious sphere of action in this regard is the correction of the legal and rights-related inequalities that have prevailed to date, which affect women by impeding the development of their potential and validating the cultural images underlying discrimination. There is also an emerging consensus that the situation of women will not improve substantially unless they are empowered to exercise all the rights of citizenship. This means that men and women must have equal freedom of choice in their relations with each other and with society, including equality in political participation, decision-making and the exercise of power.

56. Young people constitute another population group requiring special attention. It is well known that one of the problems currently shared by many countries in the region is young people's difficulty in entering the labour market. This largely reflects the educational system's structural inability to give students the abilities and skills demanded by modern enterprises. While the implementation of training programmes specially designed to equip young people to enter the job market may represent one solution to the current manifestation of the problem, it is clear that the region's educational systems must be thoroughly revamped so that they respond better to the real needs of the labour market and to the human resources training required to change production patterns with social equity.

57. It should be noted, however, that the solution does not lie exclusively in adapting schools to the immediate requirements of the production structure; along with acquiring the abilities and skills needed to perform productively in the modern world, educational systems should reinforce a well-rounded education for their students. Young people's aspirations are not (and should not be) limited to finding a job. The school system, and society as a whole, must be able to offer young people opportunities to express their various concerns. Experience in this regard has shown that when such opportunities are provided, the prevailing stereotype of the apathetic, anomic youth is dramatically disproved.

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[7] This is expressed in the ratification of the Convention on The Elimination of All Forms of Discrimination against Women and in the national codes and laws promulgated to this end.

58. Social integration and the building of a broad-based consensus on shared objectives and values should not be confused with social and cultural homogenization, nor can they be hegemonically imposed. The attainment of successive levels of social integration requires that democracy, in its broadest sense, be protected and consolidated. This means enabling and encouraging citizens to participate at all levels of decision-making. However, it also means promoting the strengthening of social actors and a culture of concerted effort among them, and providing opportunities for these processes to develop.

IV. ALLEVIATION AND REDUCTION OF POVERTY

A. THE ROOTS OF POVERTY

59. In Latin America and the Caribbean, the fact that a large percentage of the population is living in poverty is one of the most serious manifestations of the lack of social equity, and it poses the political and economic challenge that most needs to be tackled by adopting an integrated approach to development. Although poverty is not a new problem in the region, the adjustment and economic restructuring processes that many countries carried out in the last decade tended to increase the already high rates of income concentration and cause poverty levels to rise in relative and absolute terms.

60. The combination of these circumstances had an extremely adverse effect on the relatively less developed countries, for widespread structural poverty, especially in rural areas, was compounded by an increase in urban poverty, creating a situation in which the magnitude of the phenomenon ceased to have purely material consequences and began to be reflected in political tensions and massive population migration. In other countries too, where households had the advantage of a better social and physical infrastructure, there was a pronounced decline in the incomes of the middle and lower classes, especially in urban areas, which gave rise to a new kind of poverty.

61. ECLAC's most recent studies show that in the early 1990s, nearly 200 million Latin Americans —46% of the total population— could not meet their basic needs, while 94 million —22% of the population— were living in extreme poverty. The predominantly urban nature of the crisis and the persistence of rural-urban migration during the 1980s (although at a slower rate than in earlier decades) explain why most of the poor population (60%) is now living in urban areas, although the incidence and severity of the phenomenon remain greater in rural areas.

62. This upsurge in poverty has even affected population groups employed in the public sector and in medium- and large-scale enterprises, i.e., groups outside the low-productivity sectors of the labour market. According to information on 10 Latin American countries whose combined population amounts to 80% of the regional total, in the early 1990s one out of every three urban wage-earners in enterprises in the formal sector of the economy was from a poor household, while the proportion was one in five for public-sector employees.

63. These trends have increased the complexity of the phenomenon of poverty in the region. Differences in degrees of poverty between countries and between rural and urban areas combine with inequalities in the population's access to education, employment and government social services. Moreover, the kinds of poverty existing in the region have become more diverse: situations of poverty differ as regards the unmet basic needs of the various kinds of poor households, their very varied

territorial location and very diverse occupational characteristics, and the multiplicity of factors which play a part in the intergenerational reproduction of poverty.

64. There is also sufficient evidence to show that, proportionally, the rise in poverty has affected women more than men, because of the inequitable terms of their participation in the labour market. In this connection, we should also mention the effects of reproductive behaviour which, as various research projects have found, differs according to social class. The higher fertility rates, and correspondingly larger numbers of children, in poor households often prevent parents, especially mothers, from finding better jobs and their children from eventually acquiring the necessary educational and job skills.

65. The interrelationship between poverty and environmental degradation is clearly established. Poor environmental conditions (pollution and degradation of the ecosystem) are essentially regressive, and their impact is felt most acutely by the weakest and most vulnerable social groups in both urban and rural areas. As a result, no social policy for combating poverty will be complete unless it envisages the elimination of factors that have an adverse effect on the environment.

66. In order to formulate economic and social policies for alleviating and eradicating poverty, it is necessary to bear in mind its principal causes. One main cause is the rise in unemployment and in the number of people employed in very low-productivity jobs. This phenomenon can be explained by past production trends in many countries, their lack of capital, the continuing low rate of investment, and poor quality education that is irrelevant to the demands of modern production.

67. A second cause of the situations of poverty in the region is the massive decline in real wages during the 1980s. By the beginning of this decade, average wage levels were between 10% and 25% lower than at the end of the 1970s. Just how serious this situation is can be seen from the fact that the vast majority of employed persons from poor households live in the urban areas of countries that are developing at an average or high rate, where the bulk of the region's population is to be found and where wage-earners still account for 70% or more of the total working population. A third cause of poverty is the significant increase in the number of retired persons, most of whom are now living in poverty because of the loss of purchasing power of their pensions.

B. CONDITIONS FOR OVERCOMING POVERTY

68. The above situation shows that we cannot combat poverty effectively with just a handful of policies or by subordinating social goals to the targets of an independently managed economic policy. On the contrary, clear priority must be given to action to eradicate poverty, which means coordinating economic and social development and applying a wide range of policies and instruments, the formulation of which must allow for the fact that there are different kinds of poor people. This, in turn, involves relying on numerous institutions and programmes, most of them State-run, while nonetheless preserving the overall unity and clear direction of all activities.

69. Based on the foregoing, we can identify three main policy groups. The first comprises policies to restore a sustained process of economic growth and capital accumulation. Most countries are only just managing to regain the level of per capita output achieved in the early 1980s, generally at a very moderate rate of growth, with the result that the impact on employment and wages falls far short of what is needed to rescue vast numbers of households from poverty.

70. The second group comprises compensatory policies, the purpose of which is to meet the needs of people living in extreme poverty and people —such as retired persons and pensioners— who cannot be helped through the provision of employment. Of course, when there is no economic growth, such measures lose most of their effectiveness, unless public spending is restructured and resources intended, for instance, for the military budget, for financing inefficient public corporations or for ostentatious investments are reallocated to clearly defined social goals.

71. It is in the field of compensatory policies that the most progress has perhaps been made, especially in some countries where the general guidelines for designing and implementing poverty-reduction policies have gradually focused on the need to target social spending, in order to give priority to the needs of the most disadvantaged groups and thus use resources more efficiently.

72. The third kind of policies are those designed to increase the productivity of the poor by providing manpower training, as well as credit and technical assistance to small businesses and micro-enterprises. This group includes policies for training the present and future workforce and, therefore, policies for children and young people. A review of countries' experience in assisting small businesses shows that measures in this area have been successful.

73. In rural areas, emphasis has generally been placed on improving the population's access to land and water, while in urban areas priority has been given to job training and the provision of credit and technical assistance. As regard policies to assist small businesses, there is broad agreement in the region that a clear distinction must be made between policies that are economically viable and those that are not, in order to focus on the former and launch them on a process of self-reliant growth.

74. Lastly, in the latter two areas of anti-poverty policies, various social investment funds have begun to be set up in countries of the region, with the task of implementing programmes targeted at vulnerable groups. Experience thus far shows that these funds, while offering numerous advantages and achievements which explain their proliferation in the region sometimes encounter problems such as conflicts of powers with other public agencies active in the social policy sphere. This again demonstrates the advisability of establishing proper inter-agency coordination mechanisms in this sphere.

75. As in other aspects of social policy, the State has an indispensable role to play in combating poverty: ensuring equality of opportunity by promoting economic growth and implementing social policies designed to increase the population's human capital and to introduce compensatory measures, where necessary. Policies to improve, in the short and medium term, the situation of groups living in extreme poverty and groups that cannot be helped through the provision of employment will have to be justified not only by ethical considerations but also by the more pragmatic need to forestall a further increase in poverty now that will make the situation even harder to remedy in the future.

76. Even in the context of a process which combines growth with greater social equity, the possibility of having to face an agricultural emergency or an economic adjustment, an ever-present risk in countries increasingly vulnerable to changes in the international economy, requires the maintenance of a permanent social safety net to ensure that temporary situations of poverty do not become chronic for want of timely assistance.

77. The maintenance of social systems should not be dealt with in isolation from international cooperation. The countries of the region have adopted new forms of integration in the international economy that make them more dependent on the decisions and short-term economic situations of the

developed countries. As a result, there is a need to strengthen compensatory mechanisms in order to prevent the effects of the sudden changes recently seen in the global economy from being felt by the poorest population groups in the developing countries.

78. To perform its functions in this field, the State must first have baseline studies of vulnerable groups so that it can determine the severity and characteristics of poverty and establish a functional relationship between global and targeted policies, according to the needs and stages of the fight against poverty. Information systems and nationwide surveys are becoming vitally important for allocating financial and non-financial subsidies to the most vulnerable population groups, since these systems make it possible to identify the characteristics of the poor.

79. Secondly, the State must be guaranteed the resources it needs to carry out social programmes. This requires that public spending be rationalized. It is also important that the design and implementation of such programmes should ensure that the poorest groups have access to their benefits, something which does not often happen at present.

80. Third, mechanisms must be developed to enhance the efficiency of social spending and the effectiveness of programmes and projects in this area, for instance, by applying evaluation and monitoring methodologies that focus on cost-effectiveness, in other words, which take into account both efficiency and effectiveness in achieving the objectives these programmes are designed to meet. More active participation by the community and by other agents of social policy, such as non-governmental organizations and private enterprise, should also be promoted.

V. EXPANSION OF PRODUCTIVE EMPLOYMENT

A. INCREASINGLY PRODUCTIVE JOBS

81. Insufficient creation of productive jobs and the steady increase in low-productivity and low-income occupations have traditionally been matters of concern with regard to employment in Latin America. Although the crisis that began in the early 1980s made it necessary to give priority to stabilization and to efforts to combat the unemployment resulting from adjustment processes, now that the countries of the region are returning to a process of growth these issues are re-emerging forcefully in a new context.

82. The increasing globalization of the world economy and the greater integration of Latin American economies into international markets have strengthened the link between growth and competitiveness. Since job creation depends on the level and structure of growth, from a labour standpoint only two options are available for meeting the challenge of raising competitiveness: reducing the costs of manpower or enhancing its productivity.

83. Although some may see international integration based on cheap labour as an attractive alternative, this type of specialization is not appropriate to the characteristics and needs of the countries of the region. First of all because, as we have said, these countries emerged from the 1980s with very low real wage levels and a far greater incidence of poverty. Secondly, because the labour force is now concentrated primarily in cities, school attendance rates are higher and labour protection is fairly advanced —all factors which influence job creation and also the quality of the occupations generated. More highly productive jobs, with opportunities for career development and training and accompanied by some measure of protection, are needed to meet these demands properly.

84. It is clear from the above that the best option for the countries of Latin America and the Caribbean is to try to generate increasingly productive jobs. This requires that challenges be met in a number of areas, but as has been noted elsewhere,[8] from the job standpoint five aspects related directly to the task of enhancing labour productivity must be mentioned. The first and most obvious one is investment: any attempt to improve productivity is doomed to failure unless a sustained effort is made to maintain high levels of capital formation.

85. A second issue, closely linked to that of investment and the new role of the private sector and one which until now has remained pending on the region's agenda, is that of policies to promote production and technology in open economies. For now, the prevailing attitude is to simply abandon such policies, regarding them as being more appropriate to closed economies, without there being any effective

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[8] ECLAC, Changing Production Patterns ..., op. cit.

substitute for promoting competitiveness. Behind the argument for non-discriminatory policies may lie the naive and unsubstantiated belief that the mere functioning of markets is a sufficient tool for resolving issues related to technology, business, human resources, competitiveness and international standing.

86. Investment in people is another issue that is taking on greater significance and new characteristics. On the one hand, the process of changing production patterns is affecting the demand for qualified manpower, requiring greater versatility and creativity and less specialization than in the past. The content of training also needs to be changed, creating the opportunity for a new alliance between education and labour.

87. On the other hand, an institutional change has arisen from the larger role being played by enterprises in the training process, although this does not obviate the need for public policies in this field. Such policies are necessary to provide incentives for training and to take advantage of externalities, and also to assist those groups who need training in order to gain access to productive jobs but cannot afford it, such as young people from poor families and women, whose training must be radically altered to meet the new demands of the labour market.

88. A fourth issue to which a different approach must be taken than in the past is wage systems, particularly the relationship between wages and productivity. In an economy that competes internationally, wages cannot continually rise faster that productivity, since that would erode competitiveness. On the other hand, methods of determining wages can affect productivity. Hence, there is growing concern to find new ways of linking these variables.

89. Attention should be drawn, however, to the fact that many of the initiatives taken by employers in this area have emphasized only one dimension of the arrangement —the link between wages and output— while ignoring such elements as job stability or worker participation, which are not only an integral part of the original purpose of participatory wages but also a key factor in stimulating commitment on the part of workers.

90. Lastly, the new challenges of globalization have triggered major changes in enterprises' operating methods. A new management paradigm has been emerging from the most successful experiences, in which there are greater opportunities and greater needs for cooperation between workers and employers. The decrease in hierarchical structures and the promotion of self monitoring and worker participation are some trends associated with the most successful initiatives for raising productivity. These initiatives are slowly beginning to emerge in the countries of Latin America and the Caribbean, but their effective and comprehensive implementation will require significant changes in the cultural patterns of workers and employers. This incipient trend also involves a greater emphasis on bipartisanship and on the mechanism of collective bargaining, both of which enable the characteristics of each enterprise or sector to be taken more fully into account.

B. JOB STABILITY AND HETEROGENEITY

91. The aspects so far mentioned illustrate some of the issues raised by the need to stimulate the creation of more productive jobs. In the new context, however, the problem of job stability is equally pressing. The rapid changes taking place internationally in the various production sectors, as well as the cycles of the world economy, have called into question concepts such as job stability or professional

career. These concepts, among others, are acquiring new meaning. As a result, production sectors, enterprises and workers themselves must be prepared to adapt quickly to the changing requirements of competitiveness today.

92. Turning first to the situation of workers, we must accept that it will be difficult for a worker to spend his entire working life in the same job in the same firm, sector or even occupation or area of expertise. Workers will be subject to constant changes that will involve new tasks and will alter the goals of labour policy. The concept of job protection will have to give way to that of protection of occupational mobility. This means giving more weight to manpower retraining policies and policies to offset the costs of instability, such as unemployment insurance.

93. Policies for retraining manpower employed in production sectors that can no longer compete, as well as policies to overhaul sectors that, although they have fallen behind, are potentially competitive, are extremely important in this connection. In the first scenario, the main task will be to support the transfer of workers to new occupations, while in the second it will be to retrain manpower within the same sector.

94. In dealing with these issues, it is essential to consider the effect that the cycles of the international economy have on countries as a whole. From the standpoint of the new conditions described here, it should be borne in mind that in addition to envisaging emergency plans for dealing with short-term situations, medium- and long-term interests dictate that permanent priority be given to budgetary resources for education. The worsening of the quality of education over just a few years will have irreversible costs in the future.

95. Some comments should also be made about the heterogeneity of the job market, which has historically been a concern in the region. Because of the magnitude of the problem and the challenges faced by Latin American economies in maintaining and enhancing competitiveness, it is unrealistic to believe that this is only a temporary problem that will be naturally resolved by the expansion of modern activities. While support for the informal sector helps to alleviate social problems, its main purpose should be to enhance productivity.

96. Considerable progress has been made in the region in the area of direct intervention to promote the productivity of the informal sector, such as programmes of access to credit and training and other actions. However, further efforts must be made to expand the coverage of such programmes and to evaluate their real impact more accurately in order to improve their efficiency. Notwithstanding the foregoing, the informal sector must also be taken into account in overall development strategy; this means bearing its needs in mind, particularly in rural areas, in plans to develop infrastructure and to reform and improve education and the system of labour relations.

97. On the last point, the issue of the quality of informal jobs, which are generally not regulated or protected, cannot be ignored. The problem is especially complex because the sector's production units have difficulty absorbing the costs associated with better jobs. The alternative of assisting them through exceptional regimes involves establishing dual systems, which can create difficulties for social integration. There is also the risk that the benefits deriving from government action will be concentrated in the hands of employers. A better solution would be to direct support programmes towards aspects that have not yet been covered, such as health and safety conditions in the workplace, social security and training.

98. It should also be mentioned that strengthening the informal sector's capacity for independent representation is a key to enhancing its integration into the overall development process. However, it is not just these social actors that must be strengthened but all those involved in labour relations, since the only way to achieve the goals set is through agreements based on the commitment of genuine representatives who are aware of the magnitude of the challenges faced in this field.

VI. THE WORLD SUMMIT FOR SOCIAL DEVELOPMENT AND INTERNATIONAL COOPERATION

A. THE TRANSNATIONAL DIMENSION OF SOCIAL PHENOMENA AND THE NEED FOR AN INTEGRATED APPROACH TO ADDRESS THEM

99. With regard to the expected results of the conference, the Secretary-General's report states that: "the World Summit for Social Development should therefore be a landmark in the quest for a more peaceful, prosperous and equitable world. It is important and legitimate at the outset of the preparatory process to set very ambitious objectives for the Summit. It should have a mark on social policy-making and on international cooperation for social development, in some ways comparable to the Atlantic Charter which in 1941 laid the basis for international cooperation in the economic and social fields through the United Nations system in the post-war world".[...] "The World Summit for Social Development should likewise set the objectives and framework for social policy in the post-cold war world. But social policy has to be thought of not just in terms of social protection and safety nets but in terms of a development policy that integrates poverty alleviation, employment generation and social integration into the mainstream of economic and political decision-making".[9]

100. This statement agrees completely with the analysis made by ECLAC in the region, which concluded that it was impossible to find solutions to social problems if they were not approached from a new perspective in which economic and social policies were integrated in an innovative way, within a context that seeks to strengthen democracy and promote environmental sustainability. At the same time, the globalization of the economy and of communications and the transnational dimension of social phenomena, such as migrations and environmental deterioration, would indicate that it is impossible to conceive of social problems as an isolated and internal sphere. Globalization and transnational problems open up new opportunities for international and regional cooperation for social development.

101. Thus, the World Summit for Social Development should, first of all, help lay to rest the illusion that in the post-cold war era, economic growth alone will create new social balances, narrow the gap between developed and developing countries and usher in an era of peace and prosperity. Experience has demonstrated the fallacy of this idea; on the contrary, new imbalances, inequities and conflicts have emerged, which require global solutions based on the recognition, on the part of all nations of the world,

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[9] United Nations, World Summit for Social Development, Including the Role of the United Nations System in Promoting Social Development. Report of the Secretary-General (E/1993/77), New York, 10 June 1993, p. 27. Among other things, the Atlantic Charter extended the use of the term "social security" to the whole world, profoundly influencing social policies from then on.

that each of them has a common interest in the social progress and social stability of the others. In other words, social problems are also transboundary in nature.

102. Based on that recognition, the Summit can help to generate a shared awareness of the new conceptual framework that takes an integrated approach to social development, in which economic, social and political decisions and their results are conceived of as a combination of efforts to simultaneously change production patterns and achieve social equity. This means that while the essential issues to be considered at the Summit are the enhancement of social integration, poverty alleviation and the expansion of productive employment, they cannot be addressed separately from the need for sustained growth in the world economy.

103. In addition, tackling social problems as an integral part of each country's development process and not as phenomena that can be alleviated or resolved with piecemeal approaches would help Latin America and the Caribbean, at this new stage of their history, to seek to achieve higher levels of international competitiveness, as a driving force of national economies, simultaneously with more social equity, to benefit the entire population of the region. If that were the case, the dynamic impact of an expanding international economy would lead not only to growth but also to social equity. Thus, at the World Summit, social issues will have to be addressed from both a global and a national perspective.

104. Policies that pursue economic growth and social equity at the same time should guarantee that the lowest-income groups are the first to benefit from the fruits of growth. Indeed, there have already been cases in the region where economic expansion, combined with public policy, made it possible for the incomes of the poorest 40% of households to increase at rates above the national average without causing macroeconomic disequilibria. This was achieved because the increase in employment made it possible to transfer manpower to more productive jobs, and because the lowest wages —which due to high unemployment rates were far lower than they should have been in relation to productivity— rose rapidly without affecting price stability.

B. TRADE DEVELOPMENT AND WORKING CONDITIONS

105. Perhaps the most important changes in the world economy are growing globalization and the explicit acceptance by countries, particularly in Latin America and the Caribbean, of the need to revise their economic strategies in order to penetrate international markets. Despite the delays and difficulties in the General Agreement on Tariffs and Trade (GATT) negotiations and the growing protectionism of the developed countries, there is a firm political commitment to continue to move towards general trade liberalization. Trade-liberalization agreements, both bilateral and new forms of multilateral integration, are taking on a new vitality. Joining existing integration schemes in Latin America are the North American Free Trade Agreement (NAFTA), in the process of approval, the Southern Common Market (MERCOSUR) and numerous bilateral free-trade agreements.

106. This reactivation of trade brings with it a need to be concerned about its effects in the social field, and more specifically, to ensure that it has a beneficial effect on employment. Current debate on this topic at the world and regional level rejects the idea that growth of international competitiveness can be achieved either by greater exploitation of labour —by paying substandard wages, allowing working conditions to deteriorate or failing to comply with international norms governing employment— or by

indiscriminately depleting natural resources or causing some other kind of environmental deterioration. The question is complex, since a variety of factors are involved, and it can be approached in a number of ways. It is, however, a problem that will affect employment, and therefore it increasingly calls attention to the question of how to relate social policies to economic policies.

107. In this area, where trade development and working conditions come together, some progress has been made towards coordinating labour policies and standards among countries, particularly in the framework of more restrictive integration agreements, in which the parties are generally more or less equally developed. However, when differences exist that can be attributed to unequal levels of development, lower or higher wage and non-wage labour costs become legitimate comparative advantages, derived from a different factor base and a lower level of overall well-being. Nevertheless, competitiveness based on differences in labour costs has limited validity because of the need to comply with basic labour standards.

108. Competitiveness cannot be built on the basis of violating workers' rights. Standards set by international conventions adopted and monitored by the International Labour Organisation (ILO) are widely recognized, and compliance or non-compliance with each of them produces its own particular effects. Thus, it is increasingly accepted that international labour regulations should be prioritized to some extent, in order to determine which ones should be liable to sanctions if violated. These are generally what are called standard labour practices, which in fact are the expression of human rights in the area of employment.

109. In broad terms, standard practices involve the prohibition of forced labour, child labour, discrimination and restrictions on freedom of association and bargaining. There is a general consensus that trade cannot grow on the basis of child labour and that it is unlawful to keep labour costs down by such means as prohibiting or harassing trade unions. These standard practices can be a key component of trade agreements and are in fact being included in such agreements, through social charters in the case of the single European market and MERCOSUR and through supplementary memorandums in the case of the North American Free Trade Agreement (NAFTA).

110. Another aspect that must be dealt with in this field has to do with the mechanisms available for monitoring compliance with these standards, denouncing violations, applying sanctions and resolving eventual conflicts of interpretation. The ILO periodically monitors compliance with international labour conventions and investigates claims by any concerned party that an infraction has taken place. A committee of experts analyses each complaint and assesses the denials or explanations given by the accused party. This mechanism functions in combination with the technical cooperation provided by ILO itself to increase the degree of compliance with conventions. In the field of trade, consideration has been given to the possibility of introducing a social clause in the framework of GATT, which could be invoked in case of non-compliance and lead to the application of trade sanctions. Integration schemes have included multinational commissions to deal with labour issues.

111. Lastly, it should be mentioned that if mechanisms are established to prevent unfair labour practices that affect trade, their neutrality and international transparency have to be guaranteed, because if they are not, they could be used in discriminatory fashion and become a new source of barriers to international trade.

C. INTERNATIONAL MIGRATIONS

112. Another potential link between trade policy and labour conditions is the phenomenon of migrations, which will be one of the main issues at the World Summit for Social Development and also the International Conference on Population and Development. The development of merchandise trade could, under certain conditions, discourage migratory flows. That happens when a country with ample manpower specializes in producing labour-intensive goods, which slows down migrations and at the same time tends to reduce wage inequalities.

113. A lack of trade opportunities in a given country or group of countries could lead to greater migration and social tension. One cause of more permanent migratory flows could be wage differences between countries. Whether or not the possibility of higher wages encourages migration depends on other factors, such as cultural differences, changes in labour supply and demand arising from economic growth, and the existence of networks that facilitate contact between already established immigrants and potential emigrants.

114. Despite their complexity, international migrations comprise one area where international cooperation can come into play. In this regard, economic globalization trends call for a general coordination mechanism that could serve as a frame of reference for reaching agreements on labour-force mobility. Regional and subregional programmes for economic and social integration, in particular, will have an impact on population mobility, which should be planned for. Countries should also exchange information, ensure that their migration policies are compatible and develop new strategies for a more efficient use of human resources in the region.

115. On the other hand, since a large percentage of international migrants are undocumented, the protection of their human rights is a high-priority issue in formulating international and even bilateral agreements. Given the strategic role played by skilled human resources in processes of changing production patterns with social equity, the international community will have to look for forms of scientific and technological cooperation between developed and developing countries that help to strengthen the bonds between professional and technical personnel and their countries of origin and encourage their return if they have emigrated.

116. The World Summit for Social Development will provide an opportunity for further analysing current areas of cooperation in demographic issues, especially fertility, geographical distribution and internal migration, which have been already identified by the Latin American and Caribbean Consensus on Population and Development.[10] Support given to family planning programmes would help ensure that human rights are respected in the reproductive sphere, since such support makes it easier to prevent demographic inequities, which normally have a greater impact on the poor, and also to control health problems, especially of women, related to teenage pregnancy and abortion.

117. The strengthening of actions designed to modify internal migratory flows is consistent with an agenda of equitable and sustainable growth, since these actions help relieve strong social pressures in the major cities of the region and reinforce the capability of rural areas to hold on to their population.

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[10] ECLAC, Final Report of the Latin American and Caribbean Regional Conference on Population and Development (LC/G.1762(Conf.83/4); LC/DEM/G.134), Santiago, Chile, July 1993.

D. COOPERATION IN OTHER AREAS OF SOCIAL POLICY

118. Other social sectors that have traditionally been targets of international cooperation are education and health, as witnessed by the long-standing and fruitful operations of the United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Health Organization and the Pan American Health Organization. In the field of education, regional and international cooperation have focused on various topics in Latin America and the Caribbean, including the more efficient use, in human resources training, of the installed capacity of the region's universities and academic centres, and the establishment of better links between the education system and the production sector.

119. More limited areas of cooperation have also been identified, such as improving educational quality, innovation in primary and secondary education, training of teachers and researchers, institutional reform of the education system, local educational administration, technical training, regional and international scientific and technological exchanges and student exchanges.

120. The health field also offers a broad spectrum of cooperation opportunities. More exchanges of information are needed on innovations in the treatment of disease, advances in preventive medicine and primary care, and control of epidemics. The expansion of worldwide and regional integration also involves devoting more attention to intergovernmental coordination to treat and eradicate diseases which are easily spread across borders. One important area of international cooperation that links aspects of health and the training of human capital concerns child nutrition and education; the World Summit for Children established targets in that regard, which the countries of the region have pledged to meet.[11]

121. Protecting children is of special importance for the future. At the World Summit for Social Development, the commitment already undertaken by States Members of the United Nations to pursue the goals set forth in the World Declaration on the Survival, Protection and Development of Children in the 1990s and in the Plan of Action for Implementing the World Declaration must be ratified and even expanded.[12] To this end, more than 30 national action plans for children have already been adopted and launched in Latin America and the Caribbean, and their importance has been underlined in the three Ibero-American Summits of Heads of State and Government, held in Guadalajara (Mexico), Madrid (Spain) and Salvador da Bahia (Brazil) between 1991 and 1993.

122. Along the same lines, the World Summit for Social Development will provide an opportunity to consolidate the commitments made at the United Nations Conference on Environment and Development, especially in Agenda 21. The latter, inter alia, considers the environment and concern for protecting it to be an opportunity for cooperation that covers social and anti-poverty aspects. Environmentally sustainable development is a moral imperative for all nations, for its aim is to ensure the well-being of present and future generations. The poverty in which large segments of the population now live is

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[11] See UNICEF (United Nations Children's Fund), World Summit for Children. Note by the Executive Director (E/ICEF/1990/L.20), New York, 7 August 1990; and United Nations, World Declaration on the Survival, Protection and Development of Children in the 1990s and Plan of Action for Implementing the World Declaration on the Survival, Protection and Development of Children in the 1990s, New York, September 1990.

[12] See United Nations, World Declaration on the Survival..., op. cit.

incompatible with the idea of sustainable development. Thus, chapter 3 of the Agenda affirms the need to develop specific work projects, whose long-term objective is to promote the achievement of environmentally sustainable livelihoods. The agreements reached at the World Summit should be coordinated with these projects.

123. The relationship among growth, social equity and environmental protection also appears in the area of human settlements. Agenda 21 is explicit in this regard,[13] suggesting that cooperation programmes should be carried out in the framework of a strategy of partnerships among the public, private and community sectors; their objectives would be, among others, to provide adequate shelter to the lowest income groups and to institute and improve human settlements management.

124. If the agreements reached at the World Summit are to have a real impact on all the areas mentioned, the preparation, conduct and follow-up of the Summit must include a high level of participation by all the social actors concerned; non-governmental organizations thus have a particularly important role to play as a complement to government action.

E. FINANCING

125. One topic that will no doubt arise at the Summit is the need to increase social spending to certain mutually acceptable, minimum proportions of gross domestic product. Obviously, the State has an unavoidable responsibility for providing basic social services in the areas of housing, health and education. To ensure that it meets this responsibility, it is important to modify the composition of public spending on social services and to ensure that resources are used efficiently, that programmes are effective, and in particular, that they reach the poorest people. The tax burden should also be readjusted and increased. However, it is clear that government efforts in this area have their limits, and that the minimum or satisfactory levels required may exceed the amount of State funds available.

126. Thus it is very important to promote new forms of domestic financing to mobilize additional resources. In the case of providing housing and sanitation for the lowest income strata or giving them access to education, i.e., technical or occupational training to teach them marketable skills, it is possible to resort to financial systems that combine prior saving by beneficiaries themselves, direct subsidies and reimbursable loans. Besides encouraging saving and capital formation in the lowest income sectors, these financial arrangements take into account the considerable social benefits of these investments.

127. Multilateral agencies, especially the Inter-American Development Bank, should play an important role in the financing of initiatives to support integrated development. On the one hand, a dynamic operational programme with a high social content will be required in order to channel towards the region the resources needed to finance social action; special emphasis should be placed on the rationalization of spending on education, health, sanitation, urban and rural development, housing and the environment, as well as on projects to provide credit to micro-enterprises and to carry out other socially beneficial action. On the other hand, the support of multilateral agencies is essential in order to modernize and

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[13] Agenda 21 notes that it is precisely in the field of human settlements that UNDP evaluations, among others, show a high correlation between the resources provided and the amount of investment then made by the country, as a result of n tional efforts.

reform political systems and thus gradually increase the State's capacity to ensure the conditions of stability and predictability required for a sustained development effort.

128. In the least developed countries, the investment effort —including formation of human and physical capital in the lowest income strata to achieve minimum or satisfactory levels— may exceed the possibilities for public- and private-sector saving. In such cases, it is justifiable to resort to external financing to supplement the domestic effort to increase the amount and quality of investment for the benefit of disadvantaged groups. At least part of this financing should be granted on soft terms, to alleviate the foreign debt burden of these States.

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129. A number of specific areas of international cooperation exist which are related to the sharing of experience concerning social integration, poverty alleviation and expansion of productive employment. Thus, with regard to social integration, it would be very helpful to continue preparing a register of successful experiences; to identify the social information mechanisms that facilitate the targeting of action; to formulate suggestions concerning the social institutional framework; and to establish evaluation and follow-up criteria to promote programme efficiency and selectivity. With regard to poverty alleviation and reduction, it would be desirable to create a regional, intergovernmental information network on anti-poverty policies, in order to facilitate the exchange of already available experience and information. On the basis of these suggestions, a consultation system could be set up to help implement these policies, especially those related to targeting social spending and raising the productivity of the poor.

130. The importance of gaining a better idea of how government social spending is carried out, for what purpose it is allocated, who its beneficiaries are and what proportion of it actually reaches the poor should also be stressed.[14] One of the most difficult challenges facing governments in their fight against poverty is to ensure that they reach the poorest of the poor with their programmes, a task made especially difficult by poor people's intrinsic handicaps such as lack of information or often isolated geographical location. This is what makes it essential to target programmes.

131. In respect of the creation of productive jobs, it is suggested that the vast amount of existing information on experiences in this field be reviewed to identify successful programmes of job training, technology transfer, credit assistance and integration of small and mid-sized enterprises with the market economy. Systems of information on innovative forms of staff-management relations, labour legislation schemes and unemployment insurance could also be set up in order to encourage further progress in these areas.

132. Historically, the contribution made by the United Nations system in all the above-mentioned areas has been very significant. However, the shift away from sectoral approaches and towards the acceptance of an integrated approach in view of the global nature and interdependence of today's world raise the possibility of addressing these areas in a qualitatively different context, in which country actions and those

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[14] The few studies available on the subject show that the proportion of total social spending that reaches the target groups is relatively small, indicating the need to rationalize it so that it indeed reaches the poorest segments.

supported by international cooperation would mutually reinforce each other in the quest for more equitable development. To carry out this task, the various national interests and specific cultural differences that exist will have to be taken into account in a context of growing global solidarity.